10/16/86 C8650-6A

Industrial Distribution

October 1986

© TECHNICAL PUBLISHING

Hotline:
Distributors stung by growing number of customer bankruptcies

ID 75

Industrial Distribution

VOL. 75, NO. 10/75th yr. A TECHNICAL PUBLISHING PUBLICATION OCTOBER 1986

12
INDUSTRY NEWS
Two McGraw-Hill studies examine costs of selling; Screw Machine Supply appoints J.A. Misiura chief executive officer; Permatex becomes subsidiary of Loctite Corp; Sales efforts being computerized, says new research study; Robert S. Jacobs named president of Newcomer Products.

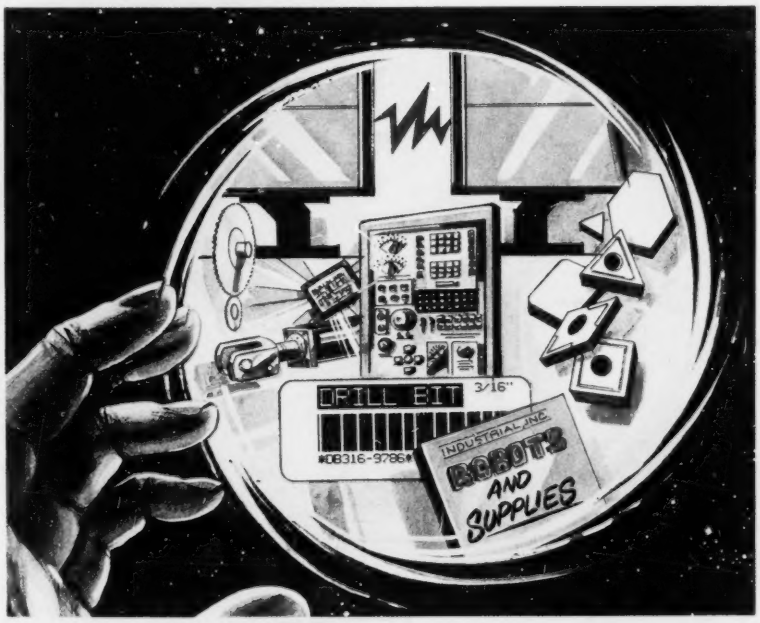
* **PTDA's** 27th annual convention in "The Big Apple" October 26-29

36
HOTLINE
Distributors are stung by increasing number of customer bankruptcies

56
STRICTLY FOR SALESMEN
Making trade shows pay off.

62
STAFDA: filling a niche

38 COVER STORY
ID's DIAMOND JUBILEE
THE FUTURE YEARS: 1986-2000



Cover illustration by Arthur Arias.

58
COMPUTER TELECOMMUNICATIONS UPDATE

68
MARKETING/ OPERATIONS IDEAS
Highway graphics brighten image; Pursuit of trivia enters marketing game; Guide addresses new mail-order markets; Video explains distribution dynamics; Control contamination in EDP environments.

9 READER SERVICE CARD
12 WASHINGTON REPORT
22 MEETINGS
28 READERS WRITE
32 BUSINESS REPORT
34 LIKE IT OR NOT
74 WE WERE THERE
76 NEW PRODUCTS
83 READER SERVICE CARD
87 IN PRINT
90 APPOINTMENTS
91 CLASSIFIED ADVERTISING
92 ADVERTISING INDEX

Industrial Distribution, (USPS-889-860) is published monthly by Technical Publishing, a Division of Dun-Donnelley Publishing Corporation, a Company of the Dun & Bradstreet Corporation, John K. Abely, President. EXECUTIVE, EDITORIAL AND ADVERTISING OFFICES, 875 Third Ave., New York, NY 10022. (212) 605-9400. Second class postage paid at Barrington, IL 60010 and additional mailing office.

Postmaster: Send address changes to Industrial Distribution, Circulation Dept., P.O. Box 1063, Barrington, IL 60010.

Microfilm or reproductions of issues or articles are available. Write Xerox University Microfilms, Ann Arbor, MI 48106.

Indicators...

Reflecting the general weakness of the economy, all three prime indices retreated for the month of June compared to May. The NIDA/SIDA *Industrial Distribution Index* on a national basis dropped to 137.4 from its May reading of 143.1. With the exception of a rise of 2.1 experienced in the East, all other sections of the country reported declines. The Midwest reported a drop of 6.5, the West a massive fall of 13.2 and the South a dip of 3.9. And, again with the exception of the East, all areas of the country are below their June '85 levels...SIDA's *Monthly Sales Trend Report* for June showed a drop of 3.77 for the entire association area from May despite a strong gain of 15.57 experienced in SIDA Area III which comprises AL, KY, MS, and TN. All other Areas showed losses. Area I (NC, VA, WV) slid by 9.22. Area II (FL, GA, SC, Puerto Rico) was down 5.40 and Area IV (AR, LA, OK, TX) was off 5.73. In a June '86/June '85 comparison, all Areas are below their levels of a year ago ranging from an insignificant 0.51 decline in Area II to a substantial decrease of 13.06 in Area IV. A year-to-date '86 comparison with year-to-date '85, shows Areas I and III just below their '85 levels while Area IV is down 12.40...ASMMA's *New Order Index* for June slid 2.7 points (2.3%) from its May level. While still well above the depressed levels of the Index in 1983, the current figure is below all but six of the last 30 months...the American Machine Tool Distributors' Assn. *New Orders Index* for June dropped dropped 12.5 points from May for a loss of 12.1%...According to the *Quick Pulse Index* of the National Assn. of Aluminum Distributors, June shipments retreated from May levels by 1.3%.

headquartered here, has named Joseph A. Misiura its new CEO.

Screw Machine Supply's CEO slot was held by Robert J. Olsen, former president of the company and of the National Industrial Distributors Assn. Olsen is currently chairman of the firm's board.

Misiura joined SMS in 1976 as field sales manager and moved through the positions of vice president-sales and executive vice president before being named president last May.

A graduate of Penn State, Misiura worked for Revlon Cosmetics, Masonite Corp. and, from 1971 until he joined SMS, for Norton Corp. in various manufacturing, and marketing slots. □

the LONGEST self-storing cable (50 feet)... on any portable 2-ton winch-hoist!
It's amazing! This LUG-ALL stores 50 feet of usable aircraft cable right on its own drum. Yet it weighs so little that one man can easily carry and rig it alone! It makes easy work of pulling cable through conduit, in fact of all horizontal pulling and tightening . . . even around corners. Stock it . . . demonstrate it . . . and pull in the profits!
OTHER LUG-ALL MODELS:
• ½ to 3-ton capacities
• Corrosion-resistant marine grade
• Insulated web strap hoists for hot line work
1001 APPLICATIONS
LUG-ALLS NOW IN SERVICE THROUGHOUT THE WORLD
LUG-ALL
CORPORATION
HAVERFORD, PENNA. 19041 • (215) 527-0234
Write in No. 12

BUSINESS REPORT

South cautiously optimistic

Although many distributors in the South Atlantic region report that sales are flat to lower compared to last year, the number of requests for quotations has been on the increase. This together with other signs of life in dependent businesses have again raised hopes of a meaningful recovery after a long drought this summer further hurt already weak business conditions.

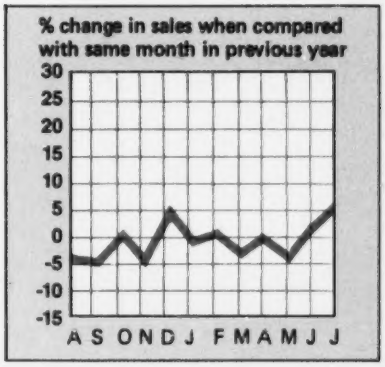
In Florida and Georgia, pulp and paper manufacturing plants are stirring again due to increased product demands, especially the need for kaolin, commonly used for paper coatings in the paper industry, and also for packing in the rubber industry, although the rubber industry is still experiencing hard times. This type of manufacturing requires a large amount of power transmission equipment, especially industrial bearings, although here very low margins continue to hurt distributors in spite of increased sales.

Other southern states where specific industries are coming back include North Carolina, where chemical processing industries led by duPont, which also has plants in South Carolina and Georgia, are going strong, and Florida, which is benefitting from industrial farms producing and refining sugar cane. Products such as pipe, valves and fittings for refining, as well as saw blades to chop the sugar, are in high demand here. Citrus farming, however, is in decline, as a lot of citrus is now coming into the country from Brazil.

Another industry giving some needed impetus to distributors in the South Atlantic region is telecommunications, where supplying low tech MRO products to high tech companies is becoming big business.

In regional reporting for July, sales increased 5% over July '85, matching the largest gain since December of last year (see graph). However, month-to-month figures (below) are weak at 4%, with cumulative figures (first 7 months of '86 compared to '85) even. Receivables continue to improve: 39 days for specialists, 40 for general liners.

—**Milt Ellenbogen**



RECEIVABLES*

	July '86 Gen.	July '86 Spec	vs. July '85 Gen.	July '85 Spec.
New England	41	46	40	45
Middle Atlantic	47	42	43	42
South Atlantic	35	35	36	36
East No. Central	41	39	38	39
East So. Central	42	30	42	34
West No. Central	39	40	39	37
West So. Central	34	41	—	37
Mountain	37	—	40	—
Pacific	43	37	44	38
National	40	39	40	39

* Average days outstanding

SALES BY REGIONS (% change)	July'86 vs. June'86 Gen.	Spec.	Both	July'86 vs. July'85 Gen.	Spec.	Both	1st seven months'86 vs. 1st seven months'85 Gen.	Spec.	Both
NEW ENGLAND: CT, RI, MA, NH, VT, ME	−8	+9	+2	−10	+7	0	−8	−6	−6
Connecticut	—	+4	—	—	+15	—	—	−4	—
Massachusetts	−15	+10	+2	−9	−5	−6	−2	−7	−5
MIDDLE ATLANTIC: NY, NJ, PA	+5	−12	−6	+1	+8	+5	−6	+1	−2
New York Metropolitan Area	+2	−5	−3	−2	+1	0	−10	+2	−3
Upstate New York	+8	−2	+3	+5	−4	+1	−3	−5	−4
Pennsylvania	+7	—	—	+2	—	—	−5	—	—
SOUTH ATLANTIC: DE, DC, MD, FL, GA, NC, SC, VA, WV	−2	−6	−4	+7	−1	+3	−3	−3	−3
Georgia-Florida	+10	−4	+2	+13	−7	+1	−5	−6	−5
EAST NORTH-CENTRAL: OH, IN, IL, MI, WI	−1	−8	−5	+2	+10	+6	+1	+8	+5
Indiana	—	—	—	—	—	—	—	—	—
Wisconsin	−6	−4	−5	+5	+11	+9	+14	+7	+9
Chicago	—	—	—	—	—	—	—	—	—
Michigan	+16	−22	−8	+23	+5	+13	+4	+4	+4
Ohio	+4	−4	−1	−18	+9	−3	−14	+5	−4
EAST SOUTH CENTRAL: AL, MS, KY, TN	0	−1	0	+10	+14	+11	+15	−1	+9
WEST NORTH CENTRAL: MN, ND, SD, IA, NE, KS, MO	+1	+2	+1	+20	+13	+17	−4	+2	−1
WEST SOUTH CENTRAL: AK, LA, OK, TX	−12	+10	+3	+9	−5	−2	+8	−13	−9
Texas	—	+8	—	—	−2	—	—	−10	—
MOUNTAIN: NM, AZ, CO, UT, NV, WY, MT, ID	−10	—	—	−5	—	—	+3	—	—
PACIFIC: CA, OR, WA	−17	+12	−7	−2	+3	0	+3	+3	+3
L.A.-San Diego	—	—	—	—	—	—	—	—	—
Oregon-Washington	—	+4	—	—	−3	—	—	+6	—
U.S. TOTALS	−5	−2	−4	+4	+6	+5	0	0	0